

Sub-Saharan Africa executive compensation particularities

Johannesburg, South Africa – “In the Sub-Saharan Africa talent market, job titles and therefore pay scales mean very little – i.e. a Vice President in one country could be a senior manager or a Director in another. Typically companies have simply been grateful that they can get talent to relocate to some of the countries where they operate in subsidiaries, so now they find themselves with confused pay scales. They find their calculations to be driven by what the markets dictate rather than what their organic pay scale specifies for corresponding positions elsewhere in the world,” explains [Martin Pike](#), Managing Director of Sub-Saharan Africa region at [Pedersen & Partners](#).



The compensation scales in the South African talent market have been positively impacted by the policies and measures adopted by the Government with the aim to increase the degree of autonomy and self-determination in the lives of people and in communities and to distribute wealth across as broad a spectrum of previously disadvantaged South African society.

Another bargaining chip for companies is whether the sought-after expert is a member of the diaspora - companies want them, but want to pay them as locals. But unlike their less-advantaged colleagues, the members of the diaspora will stand their ground when it comes to benefits and compensation - the world is often their oyster, so the company must recognize this.

More and more expats are "localising" especially in Nigeria – the opportunities in the country are to their liking, but when they reach a ceiling with the current employer they don't hesitate to move to another company. In the Nigerian Telecom sector, where the average number of employees, turnover and EBIT is relatively low compared to Europe and the USA, the average base salary of a top executive ranges between 350,000 to 500,000 Euros. Bonuses can range from 40 to 100% of base salary depending on the availability of other long-term incentives. Stock options as an incentive are unusual. Top executive base salaries increase by an average of 7-10% per year, depending on the company's performance against set targets.

As a general observation, the candidates typically don't move for sideways or backwards roles - there is no need for them to do so, as the companies are usually diligent when it comes to career growth. More tweaking needs to be done to make the compensation packages need more reflective to the individual circumstances of the candidates, rather than apply the “one size fits all” rule.



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About the authors



[Martin C. Pike](#) is the Managing Director of Sub-Saharan Africa region at [Pedersen & Partners](#). He has developed his career in recruitment and Executive Search since 1998 across the United States, Europe and Africa. Before joining the firm, Mr. Pike was with an international Executive Search firm where he transitioned from Partner to Chief Operating Officer and then the Managing Partner for Sub-Saharan Africa; prior to that he was with a FTSE 150 recruitment firm working across the USA and European markets for nearly a decade. While based in Johannesburg, Mr. Pike has gained experience across all of Africa on executive and board-level searches and has considerable experience in repatriating African talent from abroad back to local markets. Prior to his career in Executive Search, Mr. Pike started in the Financial Services sector.



[Amina Tukur-Tarfa](#) is the Country Manager for Nigeria at [Pedersen & Partners](#), based in Lagos. She is a highly engaged individual with seventeen years of hands-on experience in recruitment, and human resource management. Prior to joining Pedersen & Partners, Ms. Tukur-Tarfa was the Head of Human Resources with AITEO Group in Nigeria. Prior to that, she held various management positions with Schlumberger Network Solutions (formerly Omnes Communications Nigeria Limited), MTN Communications (Nig) Limited and Etisalat Nigeria, in addition to building her own recruitment and consultancy firm in 2010.

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